



Louisiana Public Service Commission

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Irma Muse Dixon, Vice Chairman
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District I

Telephone: (504) 342-4427

LAWRENCE C. ST. BLANC
Secretary

BRIAN A. EDDINGTON
General Counsel &
Assistant Secretary

(MRS.) VON M. MEADOR
Deputy Undersecretary

August 12, 1997

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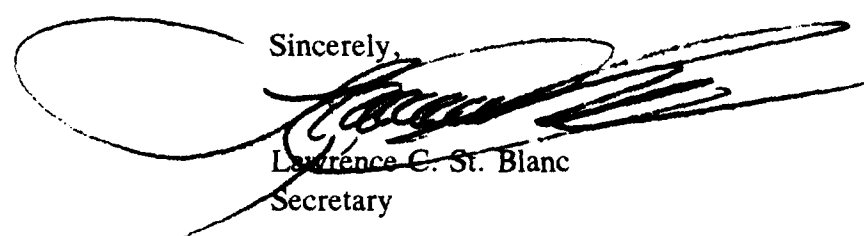
Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Dockets 96-45 and 97-160.

Dear Office of Secretary:

Attached is a certified copy of Order No. U-20883 (Subdocket A) of the Louisiana Public Service Commission whereby it elected to perform and file with the Federal Communications Commission on or before February 6, 1998, its own forward-looking economic cost study to be used for determining federal universal service support for non-rural carriers' rural, insular and high-cost areas.

Sincerely,


Lawrence C. St. Blanc
Secretary

cc: Docket U-20883 (Subdocket A - Universal Service)

LPSC Commissioners

Ms. Sheryl Todd, FCC Accounting & Audits Division, Universal Service Branch, 2100 M Street, N.W., Room 8611, Washington, D.C. 20554.
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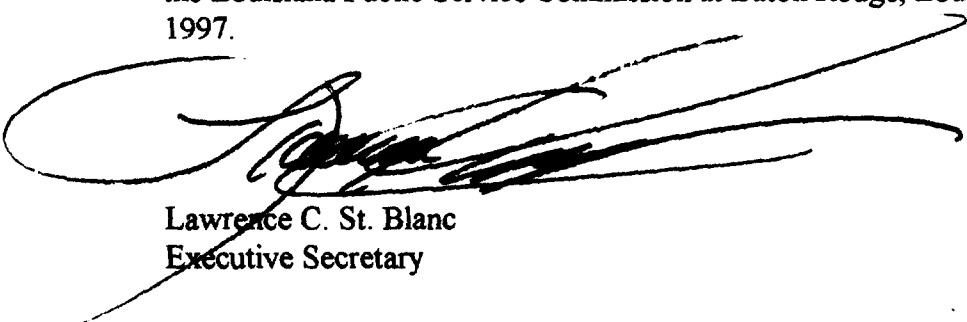
(MRS.) VON M. MEADOR
Deputy Undersecretary

AUG 13 1997
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I, Lawrence C. St. Blanc, Executive Secretary of the Louisiana Public Service Commission, do hereby certify that the hereto attached is a true and correct copy of the document described following:

Order No. U-20883 (Subdocket-A) dated August 12, 1997 - Louisiana Public Service Commission, ex parte. In re: The development of rules regulations applicable to the entry and operations of, and the providing of services by competitive and alternative access providers in the local, intrastate and/or interexchange telecommunications markets in Louisiana (Universal Service).

IN TESTIMONY WHEREOF, I have hereunto officially signed my name and affixed the seal of the Louisiana Public Service Commission at Baton Rouge, Louisiana, this 12 day of Aug, 1997.


Lawrence C. St. Blanc
Executive Secretary

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NO. U-20883 (Subdocket A)
LOUISIANA PUBLIC SERVICE COMMISSION,
ex parte

AUG 13 1997

Docket No. U-20883 (Subdocket - A) In re: The development of rules and regulations applicable to the entry and operations of, and the providing of services by competitive and alternative access providers in the local, intrastate and/or interexchange telecommunications markets in Louisiana (Universal Service).

(Decided at the July 16, 1997 Open Session)

On May 7, 1997 the Federal Communications Commission ("FCC") issued its Report and Order implementing the 1996 Telecommunications Act's Universal Service Provisions.¹ The 1996 Act requires the FCC and the States to ensure that affordable, quality, telecommunications services are available to all Americans.

In March of 1996, the FCC convened a federal-state Joint Board on universal service. After considering its record and holding public hearings, the Joint Board issued its recommendations regarding implementation of the new federal universal service support mechanisms.

Consistent with the Joint Board's recommendation, the FCC found in its Report and Order that support for high cost areas should be based on forward-looking economic costs. The States may elect to use the FCC's forward looking mechanisms or their own forward looking cost studies for determining federal universal service support. According to the FCC's Report and Order, States must indicate to the FCC their intent to use the FCC's or their own methodology by August 15, 1997.

The FCC anticipates it will select a mechanism for determining support on a forward looking basis for NON-RURAL carriers by the end of 1997. By February 6, 1998, the States electing to use their own cost studies must file them with the FCC, and the FCC will evaluate them for consistency with its forward looking criteria. By August 1998, the FCC will adopt the forward looking mechanism, and necessary inputs that will take effect on January 1, 1999.

In its Report and Order, at paragraphs 248 and 249, the FCC stated that:

Therefore, as the basis for calculating FEDERAL universal service support in their states, we will use forward-looking economic cost studies conducted by state commissions that choose to submit such cost studies to determine universal service support. As discussed further below, we today adopt criteria appropriate for determining FEDERAL universal service support to guide the states as they conduct those studies. We ask states to elect, by August 15, 1997, whether they will conduct their own forward-looking economic cost studies. States that elect to conduct such studies should file them with the FCC on or before February 6, 1998. We will then seek comment on those studies and determine whether they meet the criteria we set forth. The Commission will review the studies and comments received, and only if we find that the state has conducted a study that meets our criteria will we approve those studies for use in calculating FEDERAL support for NON-RURAL eligible telecommunications carriers' rural, insular, and high cost areas to be distributed beginning January 1, 1999....

¹ Report and Order, *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45 (May 7, 1997).

If a state elects not to conduct its own forward-looking economic cost study or that the state-conducted study fails to meet the criteria we adopt today, the FCC will determine the forward-looking economic cost of providing universal service in that state according to the FCC's forward-looking cost methodology.

Until the forward looking mechanism takes effect, NON-RURAL carriers will continue to receive high cost loop support and long term support based on existing universal service mechanisms.

Additionally, in order for the FCC to accept a state cost study submitted to it for the purposes of calculating FEDERAL universal service support, that study must be the same cost study that is used by the state to determine INTRASTATE universal service support levels pursuant to Section 254(e) of the 1996 Telecommunications Act.

At the Commission's July 16, 1997 Open Session, based on Staff recommendation, on motion of Commissioner Owen, seconded by Commissioner Dixon, and unanimously adopted, the Commission voted to perform its own forward-looking economic cost study for submission to the FCC on or before February 6, 1998 to be used for determining FEDERAL universal service support for NON-RURAL carriers' rural, insular and high cost areas.

IT IS THEREFORE ORDERED THAT:

The Commission shall perform to its own forward-looking economic cost study for submission to the FCC on or before February 6, 1998 to be used for determining FEDERAL universal service support for NON-RURAL carriers' rural, insular and high-cost areas.

This order shall be effective immediately.

IT IS SO ORDERED.
BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
August 12, 1997

/s/ DON OWEN

DON OWEN, CHAIRMAN
DISTRICT V

/s/ IRMA MUSE DIXON

IRMA MUSE DIXON, VICE-CHAIRMAN
DISTRICT III

/s/ JACK "JAY" A. BLOSSMAN, JR.

JACK "JAY" A. BLOSSMAN, JR.
DISTRICT I

/s/ JAMES M. FIELD

JAMES M. FIELD, COMMISSIONER
DISTRICT II

/s/ C. DALE SITTIG

C. DALE SITTIG, COMMISSIONER
DISTRICT IV


SECRETARY